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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Water Rights

KENT L. JONES
State Engineer/Division Director

October 27, 2009

Becky Taft, Water Commissioner
Lower Fremont Distribution System
PO Box 154
Bicknell UT 84715

Re: Paycheck

Dear Becky:

Mike informed me you had some questions about your salary as water commissioner and the paychecks you have received. I am writing to explain how the payroll system works and hopefully answer your questions and clear up any misunderstanding.

Water commissioners have to be paid through the state payroll system because we require that they be covered by workers compensation insurance. If commissioners were not covered by workers compensation then the Division of Water Rights would be liable for any related costs if the commissioner were to have an accident while performing his/her duties as commissioner.

Federal law requires that social security tax and medicare taxes be paid on any salaries paid through the state payroll system. These taxes are paid in two parts: one half of each is paid by the employer and the other half is paid by the employee. The half paid by the employee is deducted from the gross salary paid to the employee.

Enclosed is a copy of the last paycheck that was sent to you this year. On the left side about a third of the way down, it shows the gross salary that was paid and just to the right is the total amount that was withheld this year for these taxes.

When the budget is set each year in each of our distribution systems, a salary is set for the water commissioner and then other amounts are budgeted for social security (which includes the medicare tax) and other items. The salary set is the gross salary to be paid to the commissioner from which the employees half of the taxes will be deducted. The social security amount that is budgeted is to cover the employers portion of the social security and medicare taxes. If you turn the paycheck over, on the back you will see listed the amounts paid by the employer. It says State Paid Benefits, but these costs are actually paid by the distribution system from the budget that is set at the annual meeting.



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I am sorry there has been a misunderstanding about this issue, and especially if it has lasted for several years. If you feel the salary should be increased to cover the cost of these taxes, that is something that certainly can be discussed at the next annual meeting.

If you have any further questions about this issue, please contact me or Mike Silva. You can reach me by phone at 801-528-7380 or by e-mail at LeeHSim@utah.gov. Mike can be reached by phone at 801-538-7430 or by e-mail at MikeSilva@utah.gov.

Sincerely

A handwritten signature in black ink, appearing to read "Lee H. Sim", with a large, stylized loop at the beginning.

Lee H. Sim, P.E.

Assistant State Engineer for Field Services

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